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OREGON LABOR TRENDS

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

Prepared by Research and Statistics Section
October 1980

SEPTEMBER BOX SCORE

Wage & Salary Index.....131.1 up from 130.8 in Aug.
Unemployment Rate.....8.0% down from 8.5% in Aug.
Seasonally Adjusted Rate.....9.0%
U.S. Seasonally Adjusted Rate.....7.5%

WHICH WAY IS UP

Much like the month's "Indian summer" weather, the employment outlook in September was sunnier than expected. The jobless rate fell half a percentage point, from 8.5% to 8.0%. When adjusted for seasonal variations, the percent unemployed declined by 0.3 to 9.0%, the second consecutive monthly drop in this closely watched indicator. Nationally, the rate edged down 0.1 to 7.5%. The state's wage and salary employment index registered its first increase in 7 months, moving from 130.8 in August to 131.1.

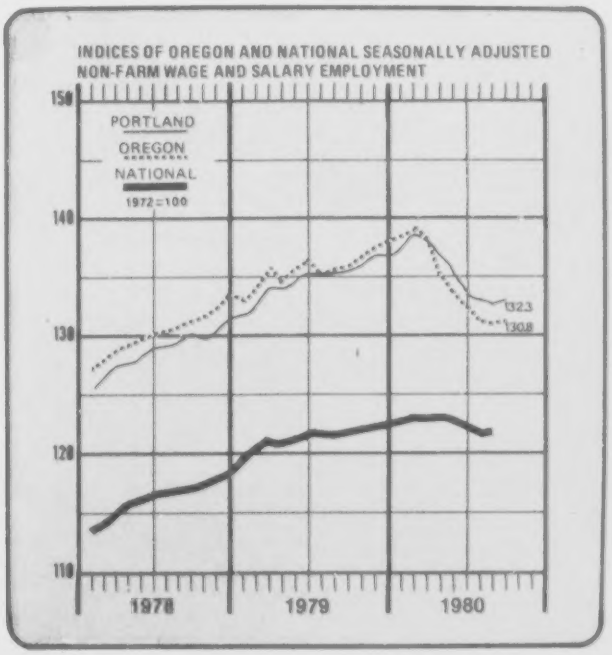
A sharp downturn in labor dispute activity played a major role in the positive signals sent out by the September statistics. Still, some real growth was apparent in the economy, particularly in the durable goods manufacturing sector. Against a background of threats of rising interest rates and "w" shaped recessions, however, these figures were met with guarded optimism.

Manufacturing

The lumber and wood products industry posted another robust seasonally adjusted increase (+1,000) as it continued to regain some of the ground lost earlier this year. The Western Wood Products Association reported that output at western mills was 84% of normal for the week ending September 27, not a bad showing in comparison to previous months. Notably, the veneer/plywood sector displayed a healthy rise (+600), reflecting a sizeable number of recalls since August. The good news mingled with bad, though. With mortgage interest rates approaching 15% again, timber prices are creeping downward. Employment at logging establishments dropped 400 over the month to register the first annual loss in 2 years. Log exports dropped sharply in the third quarter, largely due to excessive inventories of both logs and lumber in Japan.

The other durable goods industries made a similar rebound, rising 1,100 on a seasonally adjusted basis. The return to work of more than 500 striking workers in the machinery industry accounted for almost half the gain. Some recovery was apparent in the transporation equipment sector, which has been grappling with heavy recessionary blows. Sparking the rise were new orders in the truck manufacturing (+300) and shipbuilding/repair (+200) components. On the other side of the coin, those industries that appeared to weather the worst of the economic slump are now showing signs of wear and tear. The decreases reported in the high technology sectors reflect the hiring freezes set in place several months ago at these plants.

Less promising was activity in the nondurable goods industries. Food and kindred products employment registered a sizeable loss (-500 seasonally adjusted), chiefly due to declines in the canning/preserving sector. While September typically signals the start of the seasonal downturn at canneries, the work force at these establishments fell considerably below year-ago levels. In eastern Oregon, last year's bumper potato crop and the subsequent deflated prices are responsible for reduced acreage and a contracted



work force in 1980. With the Willamette Valley bean season largely over by the end of summer this year, September's processing activity was limited to the corn harvest. Moreover, several large processors reportedly have more automated operations, thereby reducing the need for as many workers this year.

Nonmanufacturing

In the nonmanufacturing group, the construction industry has yet to give a hint of recovery. Oregon's seasonally adjusted construction employment has remained constant for three months, with activity dramatically below the year-ago level in every sector. Given that interest rates are again on the upswing, few economists would venture a guess as to which direction the industry's work force will totter next.

Transportation, communication, and utility employment appears to be gradually working its way out of the slump, posting its second monthly rise (+300) in the seasonally adjusted work force. While the communication and utility firms have held their own, the transportation sector has borne the brunt of recessionary setbacks. Although reduced levels of activity still plague the railroad, air and motor freight components, maritime and local/suburban transit are beginning to emerge from the doldrums.

Activity in the trade industry followed normal seasonal patterns for September. The settlement of a labor dispute involving 184 workers at scrap processing firms bolstered employment in the wholesale durable goods sector. A drop off in the number of persons engaged in the real estate industry continues to deflate the finance, insurance, and real estate employment totals.

The services group was dealt a double blow in September. A lull in the tourist season led to a downturn in the number of employees at hotels and lodging places. More significantly, 500 nurses in Lane County have been on strike since mid-August.

The public sector laid claim to the most volatile labor market in September. At the federal level, Oregon's national forests lost 700 workers hired for the summer. The decennial census bureau reported only 155 temporary workers still on the payroll, a drop of 600+ since August. In state and local government, the start of a new school year prompted substantial gains at educational institutions. However, while most public agencies registered declines as summer positions were terminated, Multnomah County welcomed back 1,625 workers from a month long strike.

Just as no two economists could seem to agree upon when the recession began, opinions about its end differ at least as widely. Those who have declared the downturn officially over lock horns with seers waiting for the "double dip". Few dispute, however, that the period of recovery that lies ahead will be long and slow.

NONRESIDENT TOURIST AND BUSINESS RELATED IMPACT

The tourism segment of Oregon's economy faced hardship in 1978-1979 with the gasoline crisis and again in 1980 with the eruption of Mt. St. Helens. The following analysis attempts to use one analytical technique to quantify these effects on tourism-related employment in Oregon.

Tourism! What is it and how does it affect the state's economy? There is much confusion as to whether this term is an industry or an economic activity affecting several industries. This article will use the latter concept because the resident population and the normal in-state business travel activities also have significant effects on specific tourist related industries in this state. Some of the more obvious industries where these activities are felt directly are:

1. Gasoline service stations
2. Food and beverage establishments
3. Hotels and motels
4. Truck and automotive repair shops

Other industries could be listed but these four represent the larger segments of Oregon's economy directly related to tourist and business travel.

There are several ways to approach analyzing the economic and employment consequences of tourism. Each method has its assumptions and limitations. The one used here is a fairly straightforward method called the "excess employment" technique. This method involves estimating what local employment in an industry would be if it followed the national trend in the same industry. The estimated level of employment is then compared to the actual local level of employment in that specific industry. If the difference is positive, it indicates that more workers are employed locally than can be accounted for by the local consumption activity, then the local industry has an export orientation. This means in the case of tourist and business related activities that if the "excess employment" is positive that people or activities from outside the state or local area are responsible for these extra jobs. For example, the results of applying this technique to the four major industries previously discussed are captured in the following statements.

1. 1979 Oregon statewide annual average wage and salary employment in the four industry sectors was 94,700.

2. Oregon resident in-state economic activities using this technique would have generated approximately 76,900 of these jobs in 1979.

3. The "excess employment" produced by nonresident tourist and business related activities would be the difference between 94,700 and 76,900 or 17,800 jobs in these four industry sectors.

The example used above points out an important factor in explaining the extent to which the level

of employment in a specific industry or group of industries is geared toward local consumption or toward outside economic influences. An export-oriented economy is considered potentially stronger since it is not only reliant on local consumption but also brings monies and jobs into the area and state. A good example where this kind of activity has a tremendous influence on a state's economy would be Florida. However, it does increase the dependence of the area on the external economy and may mean that the area is easily affected by national or state developments.

These examples of export orientation analysis share common problems with some of the other approaches which could have been used for this commentary. There are basic assumptions which underlie these techniques and to the extent that a state or local area may not satisfy these conditions, the usefulness of these approaches is reduced accordingly. At best, the "excess employment" approach is a rough descriptive indicator. Interregional differences in tastes, income levels, family size, etc. require that their analytical results receive cautious interpretation. On a more positve note, this method can identify industries and give some preliminary indications of the export implications of tourist related activities on these specific industries. Please do not assume that the absolute levels of "excess employment" for these four industries represent the total employment impact of nonresident tourist and business related activities in Oregon. The intent here is to establish a trend on the direction that employment in these industries would have moved between 1978 and the first few months of 1980 because of some economic and natural events being felt in the state and nation.

The current issues in Oregon are concerned with the economic repercussions of the slowdown in nonresident tourist traffic between 1978 and the spring and summer of 1980. Reasons cited for this reduction in tourist activity have been the price of gasoline and the continuing eruptions of Mt. St. Helens. The national news reports have painted a picture of total disaster in the tourist related activities in the Northwest states because of these recent events. To these kinds of national news reports, the conclusion would probably be that they have caused more potential economic fallout damage in Oregon's tourist related sectors than either of the two events. This statement is backed up by surveys conducted of Oregon's recreational areas, hotels and motels, etc. which showed the actual decline in tourism to be closer to 10% during the late spring and early summer months of 1980 rather than the 30% reported by the national news media. Such a reduction is also indicated by using the "excess employment" approach. In the four major industries mentioned, the amount of employment related to nonresident consumption actually expanded 25% between May-July 1979 and the same time period of 1980. However, this same employment declined about 3% between 1978 and 1979 for the May-July period when the last "gas crisis" was being experienced within the United States. This trend would support a moderate reduction in tourist and business related activities between 1978 and 1979 but would suggest that between 1979 and 1980 that tourist activity rebounded from the 1978-1979 slowdown in Oregon. The most recent information collected from the tourist related industries which was collected during August and September 1980 shows the same kind of pattern. The indications are that tourist activities have approached 1978 levels during these two months in those affected industries. However, it is quite possible that even higher "excess employment" would have resulted had there been no concern over Mt. St. Helens and/or gasoline prices.

To study the situation in greater detail, the following table compares the results of the tourist slowdown on a specific industry at the state and local level. The industry chosen for this comparison is eating and drinking establishments and the time periods of May-July for 1975 and 1980. As the table displays, there was a severe deceleration in the growth of "excess employment" in this industry during 1978-79, which accounted for the modest 6.2% growth overall in the industry. Unfortunately, most of this growth was not accounted for by nonresident consumption activities because the "excess jobs" related to these activities only grew by 1.4% over the same period. This is quite a reduction in the growth rate of these specific jobs when compared with the tremendous yearly increases of other years of the mid and late 1970's.

MAY-JULY AVERAGE EMPLOYMENT IN THE EATING AND DRINKING INDUSTRY

Year	Total	Pct. Change	State Supported	Pct. Change	Excess	Pct. Change
1975	47,031		37,836		9,195	
1976	51,673	9.9	41,505	9.7	10,168	10.6
1977	56,582	9.5	45,931	10.7	10,651	4.8
1978	64,490	14.0	51,127	11.3	13,364	25.5
1979	68,518	6.2	54,973	7.5	13,545	1.4
1980	72,929	6.4	56,268	2.4	16,661	23.0

Using the "excess employment" technique described, this article has attempted to discuss the effects of the gas crisis in 1978-79 and Mt. St. Helens in 1980 upon tourism and travel. Clearly, the gas price increase of 1978-79 had a retarding effect on the overall state "excess employment" growth in the eating and drinking industry, especially in Eastern Oregon and a few western counties. Equally obvious is the minimal deleterious effects of Mt. St. Helens upon the food and drinking industry in 1980. "Excess employment" reached new highs for many tourist industries in the summer of 1980.

Therefore, it is clear from an employment standpoint that 1980 will not be remembered as the year Mt. St. Helens crippled Oregon's tourist travel related industry. As further data becomes available (especially that pertaining to income), it will be possible to gain a clearer picture of the health of the industry, but this data indicates a stable year for Oregon in these four industry sectors.

It should be remembered that this analysis did not attempt to assess the total economic impact of the tourist slowdown in Oregon between 1978 and the summer of 1980. Rather it is an attempt to see with one analytical technique and a few major tourist related industry examples whether the severity of the slowdown was as bad as originally reported by some national news media.

RESIDENT OREGON LABOR FORCE

	1/ Sept. 1980	2/ Aug. 1980	Change	% Change	5/ Sept. 1979
Civilian Labor Force 3/	1,264,200	1,259,500	4,700	+0.4	1,229,200
Unemployment	101,100	106,600	-5,500	-5.2	71,000
Percent of Labor Force	8.0	8.5	xxx	xxx	5.8
Seasonally Adjusted Pct.	9.0	9.3	xxx	xxx	6.8
Total Employment 4/	1,163,100	1,152,900	+10,200	+0.9	1,158,200

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, agriculture, and labor disputants. 5/ Due to revised estimating procedures between December 1979 and January 1980, data for 1980 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Sept. 1980	Aug. 1980	Sept. 1979	Change From Aug. 1980	Change From Sept. 1979
TOTAL 1/	1,035,000 *	1,022,100 *	1,073,000 *	+12,900	-38,000
Wage & Salary Employment Index (Seasonally Adjusted)	131.1	130.8	135.7	xxx	xxx
Total Manufacturing	216,700	215,700 *	240,200	1,000	-23,500
Durable Goods	156,400	154,700 *	175,900	1,700	-19,500
Lumber & Wood Products	67,500	66,900	83,100	600	-15,600
Logging & Sawmills	36,000	36,400	43,900	- 400	- 7,900
Veneer & Plywood	19,800	19,200	24,300	600	- 4,500
Millwork & Structural Wood	6,000	5,700	7,600	300	- 1,600
Mobile Homes	2,100	2,000	3,100	100	- 1,000
Other Wood Products	3,600	3,600	4,200	0	- 600
Furniture & Fixtures	2,800	2,700	3,000	100	- 200
Stone, Clay, Glass, & Concrete	4,200	4,200	4,500	0	- 300
Primary Metals	10,400	10,500	11,200	- 100	- 800
Blast Furnaces, Iron & Steel	6,000	6,100	6,500	- 100	- 500
Nonferrous Metals	4,400	4,400	4,700	0	- 300
Fabricated Metals	13,000	12,800	13,700	200	- 700
Fabricated Structural Metals	5,400	5,400	5,800	0	- 400
Other Fabricated Metals	7,600	7,400	7,900	200	- 300
Machinery	17,400	16,900 *	17,800	500	- 400
Electrical Equipment & Supplies	9,500	9,600	9,000	- 100	500
Transportation Equipment	10,300	9,600	12,900	700	- 2,600
Instruments & Related Products	19,300	19,500	18,500	- 200	800
Miscellaneous Manufacturing	2,000	2,000	2,200	0	- 200
Nondurable Goods	60,300	61,000	64,300	- 700	- 4,000
Food & Kindred Products	29,200	29,900	32,100	- 700	- 2,900
Canning & Preserving	18,700	19,600	21,600	- 900	- 2,900
Other Food Products	10,500	10,300	10,500	200	0
Textile Mill Products	1,800	1,800	2,100	0	- 300
Apparel	3,200	3,200	3,500	0	- 300
Paper & Allied Products	10,500	10,500	10,500	0	0
Printing & Publishing	10,000	10,100	10,100	- 100	- 100
Chemicals & Allied Products	2,200	2,200	2,400	0	- 200
Petroleum Refining	700	600	700	100	0
Rubber & Plastic Products	2,400	2,400	2,600	0	- 200
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Sept. 1980	Aug. 1980	Sept. 1979	Change From Aug. 1980	Change From Sept. 1979
(cont.)					
Total Nonmanufacturing	818,300 *	806,400 *	832,800 *	11,900	-14,500
Mining & Quarrying	2,500	2,400	2,600	100	- 100
Construction	48,500	49,800	58,300	- 600	- 9,800
Transportation, Communications, & Utilities	60,500	59,900	61,300	600	- 800
Transportation	35,300	34,600	36,900	700	- 1,600
Railroad	7,300	7,300	7,800	0	- 500
Trucking & Warehousing	17,700	17,600	18,700	100	- 1,000
Other Transportation	10,300	9,700	10,400	600	- 100
Communications	16,100	16,100	16,000	0	100
Utilities	9,100	9,200	8,400	- 100	700
Trade	259,500	257,600 *	261,000	1,900	- 1,500
Wholesale Trade	66,900	66,100 *	67,400	800	- 500
Durable Goods	41,100	41,000 *	43,300	100	- 2,200
Nondurable Goods	25,800	25,100	24,100	700	1,700
Retail Trade	192,600	191,500	193,600	1,100	- 1,000
General Merchandise	26,100	25,700	27,400	400	- 1,300
Food Stores	24,800	24,600	24,200	200	600
Auto Dealers & Service Stations	23,700	23,700	25,600	0	- 1,900
Other Retail Trade	118,000	117,500	116,400	500	1,600
Finance, Insurance, & Real Estate	69,700	70,700	71,100	-1,000	- 1,400
Banking & Credit Agencies	24,300	24,300	24,500	0	- 200
Other Finance, Insurance, & Real Estate	45,400	46,400	46,600	-1,000	- 1,200
Services	183,600 *	184,900	185,300 *	-1,300	- 1,700
Hotels & Personal Services	24,000	24,600	24,900	- 600	- 900
Health Services	59,900 *	60,700	59,400 *	- 800	500
Other Services	99,700	99,600	101,000	100	- 1,300
Government	194,000	181,800 *	193,200 *	12,200	800
Federal Government	29,900	31,200	30,000	-1,300	- 100
State Government	52,600	52,400	52,300	200	300
Education	20,300	19,600	20,600	700	- 300
Other State	32,300	32,800	31,700	- 500	600
Local Government	111,500	98,200 *	110,900 *	13,300	600
Education	65,800	51,600	64,700 *	14,200	1,100
Other Local	45,700	46,600 *	46,200	- 900	- 500
Labor-Management Disputes	600	2,500	1,400	-1,900	- 800

* Excludes 100 or more workers involved in labor-management disputes.

1/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

NEW HOURS AND EARNINGS SERIES

A new data series providing production worker hours and earnings averages for the Salem Standard Metropolitan Statistical Area (Marion and Polk Counties) is now available. Hours and earnings data are also available for the Portland and Eugene-Springfield SMSA's, and Jackson County. Like data is published for Oregon and each of the other states plus most large metropolitan areas in the U.S. The earnings data for any geographic region can, therefore, be compared to the earnings reported in any other area. Some of the uses of the data are illustrated below.

1979 PRODUCTION WORKER AVERAGE HOURLY EARNINGS

	U.S.	Oregon	Salem SMSA
Manufacturing	$6.69	$7.92	$7.12
Lumber & Wood Products	6.08	8.62	7.75
Food & Kindred Products	6.27	6.51	5.87

Hourly earnings are highest in Oregon due to the favorable influence of the large lumber and wood products industry (41% of all manufacturing production workers in Oregon versus 36% nationally). Salem Area average hourly earnings for all manufacturing workers fall between the U.S. and Oregon averages, supported by comparatively high earnings in the lumber sector but suppressed by the lower level shown in food processing.

Beyond the function of serving as a tool to use in comparing data between areas, the earnings information is a valuable indicator of change in earnings levels. Indeed, this information in conjunction with other data is frequently used in the contract negotiation process. Average hourly earnings in the Salem Area, for example, advanced 8.9% from 1978 to 1979 while data for the U.S. showed a slower rate of ascent at 8.4%. Consumer prices in this area (13%+), however, far outstripped living costs in the U. S. (11%+).

Finally, the workweek average is a key indicator of change in the business cycle. In this regard the Salem Area statistics show a dramatic drop in the spring of 1980 as the economic downturn, precipitated by a faltering national housing industry, became painfully evident.

Average hourly earnings are just one of a variety of information sources on earnings and wages. Likewise, the workweek average is but one of a number of indicators used to measure the health of the economy. For further information call (503) 378-8658 or write to:

Oregon Employment Division
Research and Statistics Section
875 Union Street N.E.
Salem, Oregon 97311

WORKWEEK REBOUNDS

Oregon's manufacturing production workers, still smarting from the two-fisted assault of recession and inflation, found a number of bright spots in the performance of the economy in August. While unemployment appears to be slowly heading downward, the manufacturing workweek and spendable weekly earnings each posted substantial gains. Although spendable earnings are still $5.12 below the year-ago level, the gap has narrowed considerably from 9.47 shown in July. The manufacturing workweek moved strongly upward to 38.9 hours, exceeding the year-ago figure for the first time since February. A slight decline in hourly earnings is attributable to an increase in lower-paid seasonal workers, primarily in the food processing industry.

Durable goods manufacturers contributed to the optimistic outlook as weekly hours and hourly earnings rose by 0.6 and $0.12 respectively. The lumber and wood products industry mirrored these increases, as the millwork, mobile homes, and other wood products sectors responded to slackening in interest rates by recalling some employees and increasing overtime hours. Elsewhere in durable goods, furniture and fixtures balanced a shorter workweek with a jump in earnings. Fabricated metals establishments reported small increases in hourly earnings (+0.02) and the workweek (+0.5), reflecting scattered increases in overtime activity. Cost-of-living adjustments and overtime work at several large firms helped a solid performance by the machinery sector. Some strength in the capital goods market is indicated by this rise, as firms in the construction, mining, and materials handling machinery and equipment industry led the way.

The drop of $0.31 in hourly earnings in the nondurable goods sector does not signal any ominous slump. Rather, it reflects the addition of 6,100 seasonal workers in the canning and preserving sector as the industry moves into the peak of the harvest season. More immediately apparent was the robust gain in the nondurable goods workweek, which leapt by 1.5 hours from July and stands at 1.2 hours longer than one year ago.

Increased hours at several large firms pushed the textile mill products workweek upward after a poor showing in July. Hourly earnings, however, could not keep pace and registered a slight decline. The apparel industry followed this pattern. Some weakness was evident in the paper and allied products workweek, which declined to 40.6 hours to rest significantly below the year-ago level for the first time in several months. Printing and publishing, however, exhibited the opposite trend in response to increases in overtime.

Another bright spot came in construction, an industry which has shown few encouraging signs in recent months. Solid increases in hourly earnings (+0.16) and workweek (+0.7) were evident. The increase in workweek was especially encouraging marking the first time since April that this figure has exceeded the year-ago level. Earnings in the transportation, communication, and utilities sector edged upward by $0.11 as the workweek rose to 39.9 hours. Healthy increases were evident in wholesale trade earnings (+0.06) and hours (+0.7), while retail trade remained virtually unchanged.

LABOR TURNOVER

At first glance the September labor turnover figures for Oregon's manufacturing sector might prompt dismay. Accessions dropped from 4.5 to 4.1 while separations rose from 3.7 to 4.4. However, a closer look and the magic of seasonal adjustments presents a much rosier picture. Seasonally adjusted figures reveal a 4.0 accession rate and only a 3.1 separation rate. This is rather pleasant news indeed!

Quits usually rise in September as summer workers return to school. This activity results in a nominally unfavorable accession-separations balance. This September was no exception as quits jumped from 1.6 to 2.2 in September. A 2.2 quit rate was considerably less than the September 1979 rate of 3.8. Layoffs were up from August's 1.2 to 1.5 (compared to 0.7 in September 1979).

Seasonal adjustment, though, reduced the quit rate to 1.2, the same as August's seasonally adjusted figure. In September 1979, the seasonally adjusted quit rate was 2.1.

The layoff rate exceeded the recall rate for the first time since May as the lumber and wood products and paper and allied products industries' recoveries stalled. A considerable rise in the layoff rate in the food and kindred products industry also contributed to the overall layoff rate increase. It should be noted that canning and preserving with its attendant seasonality is not included in the food and kindred products figures.

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	2/ Aug. 1980	3/ July 1980	Aug. 1979	2/ Aug. 1980	3/ July 1980	Aug. 1979	2/ Aug. 1980	3/ July 1980	Aug. 1979
TOTAL MANUFACTURING 4/	$339.60	$332.88	$311.18	38.9	38.0	38.8	$8.73	$8.76	$8.02
SPENDABLE EARNINGS (1967 Dol.) 6/	114.15	112.82	119.27	NA	NA	NA	NA	NA	NA
Durable Goods	352.43	342.40	326.54	38.9	38.3	39.2	9.06	8.94	8.33
Lumber & Wood Products	389.54	378.02	357.38	40.2	39.5	40.2	9.69	9.57	8.89
Logging & Sawmills	412.29	405.00	376.00	40.5	40.5	40.0	10.18	10.00	9.40
Plywood & Veneer	399.73	380.55	365.44	41.9	40.1	41.2	9.54	9.49	8.87
Millwork & Structural Wood	272.80	246.62	263.81	35.8	33.6	38.4	7.62	7.34	6.87
Mobile Homes	291.03	263.93	246.48	36.7	34.5	39.0	7.93	7.65	6.32
Other Wood Products	342.38	317.41	337.01	37.5	36.4	40.8	9.13	8.72	8.26
Furniture & Fixtures	190.53	188.49	206.38	29.0	30.9	34.0	6.57	6.10	6.07
Primary Metals	415.28	398.86	359.48	39.4	38.5	38.0	10.54	10.36	9.46
Fabricated Metals	318.47	313.50	287.78	37.6	37.1	39.1	8.47	8.45	7.36
Machinery	332.49	325.60	304.74	37.4	37.0	37.3	8.89	8.80	8.17
Nondurable Goods	305.74	305.49	265.46	38.8	37.3	37.6	7.88	8.19	7.06
Food & Kindred Prod	274.71	264.60	232.99	39.3	36.0	37.1	6.99	7.35	6.28
Canning & Preserving	246.88	213.36	197.28	39.5	33.6	36.0	6.25	6.35	5.48
Other Food Products	347.19	350.00	323.97	38.7	40.0	39.8	8.97	8.75	8.14
Textile Mill Products	180.96	163.30	171.07	37.7	33.6	38.1	4.80	4.86	4.49
Apparel	162.40	158.39	152.80	34.7	33.7	35.7	4.68	4.70	4.28
Paper & Allied Products	436.04	454.92	398.55	40.6	42.2	41.3	10.74	10.78	9.65
Printing & Publishing	328.32	314.52	293.94	36.0	35.7	35.5	9.12	8.81	8.28
Construction 4/	496.80	481.57	445.52	36.8	36.1	36.2	13.50	13.34	12.31
Communications & Utilities 5/	364.29	359.00	336.31	39.9	39.8	39.8	9.13	9.02	8.45
Trade 5/	253.10	249.55	228.98	35.3	35.0	34.8	7.17	7.13	6.58
Wholesale Trade	325.65	317.51	290.31	39.0	38.3	38.3	8.35	8.29	7.58
Retail Trade	213.48	212.81	195.43	33.2	33.2	32.9	6.43	6.41	5.94
Banking & Insurance Carriers	202.97	202.25	179.65	NA	NA	NA	NA	NA	NA
State & Local Government	275.15	269.86	256.83	NA	NA	NA	NA	NA	NA

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.
6/ Production workers earnings after deductions for federal and social security taxes adjusted to constant dollars by the U.S. Consumer Price Index.

AREA ECONOMIC NEWS

CITY OR AREA	COUNTY	
Portland	Multnomah	One of the world's major banks has become part of Portland's financial community. The Hongkong and Shanghai Banking Corporation, A British bank based in Hong Kong, opened its Portland office on October 1. Hongkong and Shanghai has banks or representative offices in nine other U.S. cities. The Portland branch is a full service bank but will specialize in international business. The bulk of the bank's business is expected to be from Oregon firms and individuals with export and import trade interests in Asia and the Middle East. The Hongkong and Shanghai Banking Corp. has 400 branches worldwide with assets of more than $21 billion.
Umatilla-Hermiston	Umatilla	U & I Inc. has announced plans to build a potato processing plant in Plymouth, Washington, just across the Columbia River from Umatilla. The plant is expected to create nearly 1,300 jobs by 1984 with most of the workers expected to come from the Umatilla-Hermiston area in Oregon and the Tri-Cities area in Washington. The new plant will be larger than U & I's existing Gourmet Foods plant in Boardman. Plans for the plant call for a fresh-pack potato plant, a frozen potato processing facility, dry and frozen potato warehousing, and offices and other service facilities.
Oregon	Statewide	Despite the dire predictions of damage to Oregon's strawberry crop from the volcanic ash dusting that many fields received, strawberry production was up 9% from 1979. The Oregon Crop and Livestock Reporting Service has estimated a harvest of 46.3 million pounds this year compared to 42.6 million in 1979. While acreage remained unchanged from year-ago levels, the 1980 yield per acre at 8,900 pounds is second only to the record of 9,200 pounds per acre set in 1976. The ash did, however, have some negative effects on the crop. Price declines due to ash on the berries amounted to an estimated 2%, the combination of ash and rain caused 4.2 million pounds to be left in the fields compared to only 2.6 million pounds in 1979.
Vale	Malheur	The Department of Energy has provided a $123,000 grant for an investigation of the prospects for an ethanol production facility in the Vale area. The grant money is to be used in a feasibility study that will examine the potentials of using geothermal energy as a power source for the alcohol producing plant. The plans also call for the plant to use agricultural waste such as undersized potatoes and cull onions for approximately half of its energy needs. The proposed plant would be capable of producing 4.5 million gallons of alcohol per year from local agricultural products. Backers of the plant are also looking into using the by-products of the distilling process as high protein livestock feed for domestic or foreign use.
Oregon	Statewide	The Oregon Department of Veterans' Affairs sold $300,000,000 in Veterans' Welfare bonds to a national syndicate led by First National Bank of Chicago on September 16. The bonds are dated October 1, 1980 and are in $5,000 denominations. Net interest cost for the issue was 9.2554%, a record high interest cost for an Oregon general-obligation bond issue. The bonds will mature serially each on April 1 and October 1 from 1995 through 2009, with 2,000 bonds maturing on each maturity date. Proceeds from the sale will be used to make loans to qualifying Oregon veterans on resident homes and farms. Approximately $200 million will be set aside for the purchase of existing homes and farms, with $96 million to be used for new construction and major home improvements and $4 million reserved for energy conservation and weatherization projects.
Oregon	Statewide	According to estimates of 1979 per capita personal income recently released by the Bureau of Economic Analysis, Oregon ranked 16th among all states with a per capita income of $8,938. The U.S. average for 1979 was $8,773, a 139.2% increase since 1969. Oregon's 1979 per capita income, only $165 higher than the national average, has increased by 157.1% from the 1969 level of $3,477. Oregon ranked 17th in percent increase since 1969 among all states. Per capita income represents total personal income divided by total population.
Wheat Fields	Oregon	The Environmental Protection Agency (EPA) has granted approval for use of a controlled pesticide on wheat fields in 16 Oregon counties. The pesticide Benomyl can be used to fight Cercosporella foot rot on some 250,000 acres of Oregon wheat beginning November 1. The chemical may be used only with Oregon Department of Agriculture approval and certification of the existence of foot rot by county extension agents. The EPA exemption is to be in effect for an eight month period. Benomyl, otherwise known as butyl carbamoyl and benzimidazole carbamate, has been found to cause birth defects and infertility in laboratory animals by the EPA.